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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/529,272	10/05/2005	James Michael Mattern	13668/100015	2138

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KENYON & KENYON LLP  
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WASHINGTON, DC 20005

EXAMINER
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BRITO PEGUERO, MERLIN

ART UNIT	PAPER NUMBER
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2876

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08/31/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/529,272	<b>Applicant(s)</b> MATTERN, JAMES MICHAEL	
	<b>Examiner</b> Merlin Brito Peguero	<b>Art Unit</b> 2876	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-64 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-64 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 25 March 2005 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |   |  |
|---|--|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. ____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | 5) <input type="checkbox"/> Notice of Informal Patent Application                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date <u>herewith</u> . | 6) <input type="checkbox"/> Other: ____  |

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 112***

1. Regarding claims 12-21, 24, 45-51, 53, 54, and 57, the phrase "such as" renders the claim indefinite because it is unclear whether the limitations following the phrase are part of the claimed invention. See MPEP § 2173.05(d).
2. Regarding claims 3, 8, 9, 30, 32, 36, 41, 42, 44, and 56, the phrase "preferably" renders the claim indefinite because it is unclear whether the limitations following the phrase are part of the claimed invention. See MPEP § 2173.05(d).

### ***Claim Rejections - 35 USC § 102***

- 3 The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

- 4 Claims 1-7, 10, 22-27, 30-40, 43, 55-54 are rejected under 35 U.S.C. 102(b) as being anticipated by Herbert (US 20020087493.)

**Re claims 1:** Herbert discloses a method and system of refunding or reusing value as applied to spoiled items, including an element containing an authentication code and bearing sensitive information, in an item stream (see ¶: 0001 L: 4-6, and ¶: 0014-0018), the method comprising the steps of: validating the element on each item in an item stream, wherein an item is assigned as being spoiled where the element does not satisfy at least one validation criterion (see ¶: 0002, ¶: 0005, ¶: 0035 and 0037 Herbert must have a validation unit to carry out the method of validation); separating

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spoiled items from the item stream (see ¶: 0002 Herbert must have a sorting unit to sort/separate spoiled and unspoiled mail), for each spoiled item, presenting the element to a third party, such that the sensitive information is not made available to the third party (see ¶: 0035-0036 the information is stored in Herbert's barcode is encrypted, therefore the sensitive information is not visible to the third party); and for each spoiled item, refunding or reusing the value as applied to the spoiled item (see ¶: 0002 L: 12-17 Herbert must have a control unit, i.e. [10] in fig. 1, to manage refunds of the system.)

**Re claim 34:** Herbert discloses an item handling system for refunding or reusing value as applied to Items, including an element containing an authentication code [18 and 39] and bearing sensitive Information, in an item stream, the system comprising: a validation unit [21] for validating the element on each Item in an item stream, wherein an item is assigned as being spoiled where the element does not satisfy at least one validation criterion; a sorting unit [21] for separating spoiled items from the item stream, with the element of each spoiled item being presented to a third party, such that the sensitive information is not made available to the third party; and a control unit [10] for controlling operation of the system, wherein the control unit includes a refund credit register and is operative to credit the refund credit register in respect of the value as applied to each spoiled item, or is operative to provide for reuse of the authentication code contained in the element of each spoiled item (see figs. 1 and 2, ¶: 0035-0039, ¶: 0002 the method that Herbert discloses carried out by the postal secure device, PSD, which would require each of the above elements to be part of system for the method to be carried out.)

**Re claims 2, 3, 35 and 36:** Herbert discloses each item [18] is scanned for an element in the validation step (see fig. 1 scanning pieces of mail is standard practice in the US mail system. Furthermore, it is also standard that mail has barcode printed on the mail piece); one validation criterion requires the element to have one physical characteristic, preferably comprising of a position (see ¶: 0041 the indicia on the piece of mail must have a physical characteristic if it is printed on the envelope. Furthermore, for the mail piece to be scanned the indicia must be placed at a location where it maybe scanned.)

**Re claims 4-7, and 37-40:** Herbert discloses data that is read from each element in the validation step; one validation criterion requires authentication of part of the read data; authentication of at least part of the read data requires the at least part of the read data to have a predeterminable format; authentication of at least part of the read data requires the at least part of the read data to match check data (see figs. 1, 5 [steps 31-33, 40], ¶: 0025 L: 7-9, ¶: 0029 L: 17-18, ¶: 0035 L: 12-15, and ¶: 0038 these steps must be carried out by an apparatus/validation unit, i.e. PSD [21].)

**Re claims 10 and 43:** Herbert discloses sensitive information is printed on the items [18] (see fig. 1, and ¶: 0035 L: 3-9.)

**Re claims 22-24, and 55-57:** Herbert discloses generating a spoiled item notification in respect of each spoiled item for communication to a remote center; electronically transmitting the spoiled item notifications to the remote center, and preferably each spoiled item notification is transmitted separately; an image of each spoiled element is acquired in the validation step, and each spoiled item notification

includes an image of the respective spoiled element which excludes the sensitive information, such as to allow the image of the element to be presented to a third party, with the sensitive information not being made available to the third party (see ¶: 0002, ¶: 0005-0013, ¶: 0028, ¶: 0035-0038, ¶: 0046-0047 it is inherent that all the communications carried out by Herbert's method must be electronic since this is a computer based system. Furthermore, the image is an electronic image and since the information is encrypted the sensitive information cannot be seen by a third party.)

**Re claims 25:** Herbert discloses crediting a refund credit register in respect of the value as applied to each spoiled item; reusing the authentication code contained in the element of each spoiled item; writing an element on each item, wherein, where the element of a previous item is assigned as being spoiled, the written element contains the authentication code contained in the element of the previous item assigned as being spoiled; printing an imprint as an element on each item; electronically writing to an electronic label as an element on each item (see fig. 1, ¶: 0038-0040, and ¶: 0005-0013 Herbert must have the apparatus to determine the refund need for the spoiled item and to verify/authenticate the item is spoiled.)

**Re claims 30-32 and 61-63:** Herbert discloses items that comprise documents, preferably comprising one sheet; documents comprise mail documents; document carriers, preferably envelopes [17] (see fig. 1, and ¶: 0025 Herbert teaches mail items, i.e. mail carriers, envelopes, etc., which their purpose is to carry documents from one point to another. Furthermore, the folder inserter [13], and document printer [11] thought by Herbert demonstrate that Herbert places documents in an envelope.)

**Re claims 33 and 64:** Herbert discloses sensitive information, which is encoded (see ¶: 0033 the indicia is encrypted therefore the information is encoded.)

**Re claim 58:** Herbert discloses a writing unit [11] for writing an element on each item (see fig. 1); wherein the control unit [10] is operative to control the writing unit to write an element containing the authentication code contained in the element of a previous item assigned as being spoiled (see fig. 1, and ¶: 0025.)

***Claim Rejections - 35 USC § 103***

5       The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6       Claims 8, 9, 11, 28, 29, 41, 42, 59, 60 are rejected under 35 U.S.C. 103(a) as being unpatentable over Herbert (US 20020087493) in view of Monico (US 6259369 B1.) The teachings of Herbert are discussed above.

**Re claims 8, 9, 11, 28, 29, 41, 42, 44, 59, and 60:** Herbert fails to teach an imprint that is a two-dimensional bar code and radio frequency tag.

Monico teaches an imprint that is a two-dimensional bar code and radio frequency tag (see C: 2 L: 26-43, and abstract Monico teaches bar codes which would include all bar codes. Furthermore, Monico must have a writing unit for printing of the two-dimensional barcode and RF tag to occur.)

It would have been obvious, at the time of invention, to one of ordinary skill in the art to have combined Herbert mail preparation system with Monico low cost RFID

reading with the motivation that mail processing can be sped up with the addition of RFIDs. Furthermore, with two dimensional barcode and the use of RFIDs more data can be stored on the indicia which would allow for better classification of mail, i.e. spoiled or unspoiled.

7        Claims 12, 15, 21, 45-48, and 54 are rejected under 35 U.S.C. 103(a) as being unpatentable over Herbert (US 20020087493) in view of Calonje et al. (US 20040050919.) The teachings of Herbert are discussed above.

**Re claims 12-15, 21, 45-48 and 54:** Herbert fails to teach perforating each spoiled item about the element; and separating a section of the item including the element and excluding the sensitive information, such as to allow the section to be presented to a third party, with the sensitive information not being made available to the third party; separating the section of the item including the element and excluding the sensitive information, such as to allow the section to be presented to a third party, with the sensitive information not being made available to the third party; separating the element, such as to allow the element to be presented to a third party, with the sensitive information not being made available to the third party; separating the label, such as to allow the label to be presented to a third party, with the sensitive information not being made available to the third party; separating the cover sheet including the element from the item, such as to allow the cover sheet to be presented to a third party, with the sensitive information not being made available to the third party.

Calonje et al. teaches perforating each spoiled item [106] about the element; and separating a section of the item including the element and excluding the sensitive



information, such as to allow the section to be presented to a third party, with the sensitive information not being made available to the third party; separating the section of the item including the element and excluding the sensitive information, such as to allow the section to be presented to a third party, with the sensitive information not being made available to the third party; separating the element, such as to allow the element to be presented to a third party, with the sensitive information not being made available to the third party; separating the label, such as to allow the label to be presented to a third party, with the sensitive information not being made available to the third party; separating the cover sheet including the element from the item, such as to allow the cover sheet to be presented to a third party, with the sensitive information not being made available to the third party (see fig. 1 as illustrated the envelope is perforated. Its cover sheet maybe removed and presented while the sensitive information, i.e. what is in the envelope, is with held from the third party. Furthermore, Calonje et al. must have an apparatus to perform the perforations found on the label/cover sheet, i.e. a perforation unit.)

It would have been obvious, at the time of invention, to one of ordinary skill in the art to have combined Herbert mail preparation system with Calonje et al. mailing and response envelope with the motivation this would increase profits for the sending company since they will be able to place advertisements on the back of the cover sheet. Furthermore, costs are reduced since two envelopes are sent in one.

8 Claims 16-20 and 49-53 rejected under 35 U.S.C. 103(a) as being unpatentable over Herbert (US 20020087493) in view of Calonje et al. (US 20040050919.) The teachings of Herbert are discussed above.

**Re claims 16-20, and 49-53:** Herbert fails to teach obliterating the sensitive information on each spoiled item, such as to allow the item to be presented to a third party, with the sensitive information not being made available to the third party; over-printing the sensitive information, such as to render the sensitive information unreadable; applying a panel over the sensitive information, such as to render the sensitive information unreadable; cutting out a section of each spoiled item including the sensitive information, such that the item includes no sensitive information; packaging each spoiled item, such as to conceal the sensitive information and allow the item to be presented to a third party, with the sensitive information not being made available to the third party.

Cremonese teaches obliterating the sensitive information on each spoiled item, such as to allow the item to be presented to a third party, with the sensitive information not being made available to the third party; over-printing the sensitive information, such as to render the sensitive information unreadable; applying a panel over the sensitive information, such as to render the sensitive information unreadable; cutting out a section of each spoiled item including the sensitive information, such that the item includes no sensitive information; packaging each spoiled item, such as to conceal the sensitive information and allow the item to be presented to a third party, with the sensitive information not being made available to the third party (see figs. 18-19,

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abstract L: 12-25 Cremonese applies a coating on top of the sensitive information which would in effect destroy the information to a third party. Cremonese must have a apparatus that provides for this service, i.e. covering the sensitive information from a third party.)

It would have been obvious, at the time of invention, to one of ordinary skill in the art to have combined Herbert mail preparation system with Cremonese multiple purpose telephone card, with the motivation this would reduce cost on security since it is a very simple technique compared to computer based security. Also, this would allow a user to know if someone has tampered with the item. Since the secure information must be sealed.

### ***Conclusion***

9 The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Pierce et al. (US 6058384) discloses a method for removing funds from a postal security device, Pierce (US 6427139 B1) discloses a method for requesting and refunding a postage utilizing an indicium, and Kovlakas (US 6592027 B2) discloses a method for the recovery of unusable printed postage.

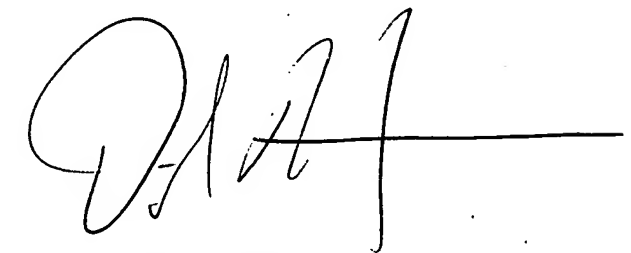
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Merlin Brito Peguero whose telephone number is (571) 270-1619. The examiner can normally be reached on Monday-Fridays 7:30 to 5:00 alt Fridays ET time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee can be reached on (571) 272-2398. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



Merlin Brito Peguero  
Patent examiner  
08/22/2007



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